

**COUNCIL POLICY****CURRENT**

SUBJECT: REPLACEMENT, BETTERMENT AND EXPANSION OF WATER AND  
SEWER FACILITIES IN PREVIOUSLY DEVELOPED AREAS  
POLICY NO.: 400-06  
EFFECTIVE DATE: May 2, 1974

**BACKGROUND:**

Where raw land within the City is being developed, the installation of water and sewer facilities is financed by one of two methods: (1) direct payment by the developer with any reimbursement for oversizing coming from persons who subsequently connect to such utilities and from an occasional Utilities Department contribution; (2) by an improvement district under either the 1911 or 1913 Improvement Acts.

Where previously developed areas require improvement or expansion of water and sewer facilities by virtue of increased density use or rezoning, the single current method of financing is by payment of Utilities Department funds.

Redevelopment within older areas of the City frequently necessitates installation of new water and sewer lines which include increased capacity. The increased capacity ordinarily is designed to serve a much greater area than a proposed immediate development.

The added cost resulting from betterment and expansion may place an unreasonable burden upon older areas of the City and thus result in inequities.

**PURPOSE:**

It is the intention of the Council to provide for an equitable and expeditious means for financing the betterment and expansion of water and sewer facilities in previously developed areas of the City.

**POLICY:**

It is the policy of Council that replacements of water and sewer facilities in previously developed areas shall be financed to the extent possible by the expenditure of annual depreciation accruals and special charges required under the rules and regulations of the Utilities Department. The special charges for water and sewer service shall include a capacity or buy-in charge. It is the further policy of the Council that the cost of betterments and expansions of water and sewer facilities in developed areas where said utilities were previously installed to then existing standard shall be financed by the expenditure of surplus funds resulting from the operations of the Utilities Department. Where added expenditures are necessary to meet the cost of betterments and expansions of such water and sewer facilities, it is the policy of the Council to utilize proceeds from one of two sources; (1) revenue bond issue; or (2) a general obligation bond issue, the debt service cost of which is met by a pledge of utility revenues.

**HISTORY:**

Adopted by Resolution R-185996 01/11/1966  
Amended by Resolution R-207207 01/16/1973

CITY OF SAN DIEGO, CALIFORNIA  
**COUNCIL POLICY**

**CURRENT**

Amended by Resolution R-210523 05/02/1974